

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.	30-005-63125
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	VA-0582
7. Lease Name or Unit Agreement Name	Ziggy ARC State
8. Well No.	1
9. Pool name or Wildcat	Chisum San Andres
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3744' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator	YATES PETROLEUM CORPORATION
3. Address of Operator	105 South 4th St., Artesia, NM 88210

4. Well Location	Unit Letter <u>B</u> : <u>990</u> Feet From The <u>North</u> Line and <u>2310</u> Feet From The <u>East</u> Line
	Section <u>12</u> Township <u>11S</u> Range <u>27E</u> NMPM Chaves County

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Propose to plug and abandon well per one of the following options, depending on which ever is most cost effective at the time of plugging:

OPTION 1: 10# Brine w/ 25 # gel / barrel between plugs.

1. Pull all equipment from well.
2. Set CIBP at 2600' and cap with 35' of cement to cover perforations 2652-2719' (Glorieta).
3. Set CIBP at 1775' and cap with 35' of cement to cover perforations 2400-2546' and 1813-2088' (San Andres).
4. Set CIBP at 1000' and cap with 35' of cement to cover perforations 1034-1139' (Queen).
5. Set a 25 sack plug at surface.
6. Install regulation abandonment marker.

Notify N.M.O.C.C. in sufficient time to witness

Tags

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE May 23, 1997
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY Jim W. Beem BGA TITLE District Supervisor DATE 6-4-97

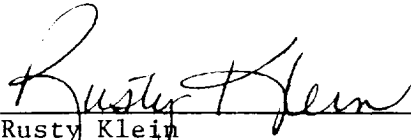
CONDITIONS OF APPROVAL, IF ANY: * 100' Plug across shoe & Tag.

YATES PETROLEUM CORPORATION
Ziggy ARC State #1
Section 12-T11S-R27E
Chaves County, New Mexico

NOTICE OF PLUGGING INTENT CONTINUED:

OPTION 2:

1. Pull all equipment from well.
2. GIH with tubing open ended. Spot a 100 sack cement plug to cover perforations 2652-2719' (Glorieta) and perforations 1813-2088' and 2400-2546' (San Andres). WOC. Tag plug at 1750' or higher.
3. Spot a 25 sack cement plug to cover perforations 1034-1139' (Queen). WOC.
* Tag plug at 975' or higher.
4. Set a 25 sack cement plug at surface.
5. Install regulation abandonment marker.



Rusty Klein
Operations Technician
May 23, 1997

* 100' plug across shoe
10# Brine w 25 # gel / barrel plugging mud.